Requirement of IT clearance certificate

1072. SHRI YERRA NARAYANASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to simplify the income tax system;

(b) if so, whether it is a fact that requirement of Income Tax Clearance Certificate for many transactions is causing undue hardship; and

(c) the steps proposed to reduce the number of issues which require Income Tax Clearance Certificate?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Simplification of the income tax system is an on-going process.

(b) and (c) Keeping in view the rise in prices of immovable properties, the Government has proposed in the Finance Bill, 1995, to enhance the limit to Rs. 5 lakhs from Rs. 2 lakhs upto which no income tax clearance is requirement under the provisions of section 230A of the Income-tax Act for transfer of property.

Permission given to reliance capital and finance trust by RBI

1073. SHRI SOM PAL: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has given permission to the Reliance Capital and Finance Trust Ltd. for full repatriation on the reserved allotment to NRIs, OCBs and FIIs;

(b) if so, what are the reasons there for;

(c) whether such permission has ever been granted to any other similar company;

(d) if so, what are the details thereof;

(e) whether there are any guidelines issued by the RBI in this respect;

(f) if so, what are the details trereof and whether they have ever been amended; and

(g) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) Yes Sir. The permission to the company for issue of shares with repatriation benefits to Non-resident Indians (NRIs)/Oyerseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs) was accorded in terms of the Portfolio Investment Scheme which included reservations out of public issues by Indian companies.

(c) and (d) Yes Sir. The Reserve Bank of India has so far granted similar permission in the case of 72 companies.

(e) to (g) These approvals have hitherto been operated under the existing provisions of the Portfolio Investment Scheme for NRIs/OCBs and FIIs and the October 1993 guidelines issued by the Securities and Exchange Board of India on reservations out of public issues.

Introduction of value added tax system

1074. SHRI SOM PAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government intend to introduce value Added Tax system of indirect taxation.

(b) if so, what are the salient features, modalities and advantages thereof and by when it is to become operative;

(c) whether there is any proposal to have a uniform sales tax throughout the country;

(d) if so, whether any discussions have been held with the State Governments on the subject;

(e) if so what have been the results thereof;